

COMMONWEALTH OF AUSTRALIA

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	Family Name						
	Given Names						
	Student Number						
	Teaching Period	Semester 2 Special/Summer Semester, 2015					
FINAL EXAMINATION		DURATION					
PRBA005 – Accounting Theory		Reading Time: 10 minutes					
		Writing Time: 180 minutes					

INSTRUCTIONS TO CANDIDATES

1.1 The examination has 3 sections.

Section A: Suggested Time:	Short Answer Questions: Answer ALL questions 40 marks 60 minutes
Section B: Suggested Time:	Short Essay Questions: Answer ALL questions 20 marks 40 minutes
Section C: Suggested Time:	Multiple Choice Questions: Answer ALL questions 40 marks 80 minutes

Section A and Section B are to be answered in the Answer Booklet provided.

Section C must be answered on the Multiple Choice Answer Sheet provided in this examination paper and must be handed in with your answer booklet.

Please ensure that your name and student number are clearly indicated on your Answer Sheet and at the top of this examination paper.

- 1.2 Note that questions **ARE NOT** of equal value.
- 1.3 Read **ALL** questions carefully.
- 1.4 Do not commence writing until instructed to do so.

EXAM CONDITIONS

You may begin writing from the commencement of the examination session. The reading time indicated above is provided as a guide only.

This is a RESTRICTED OPEN BOOK examination
 No calculators are permitted
 No handwritten notes are permitted
 Hard copy, unannotated English translation dictionary only

ADDITIONAL AUTHORISED MATERIALS	EXAMINATION MATERIALS TO BE SUPPLIED
No additional printed material is permitted	1 x 16 Page Book 1 x 4-Multiple Choice Answer Sheet

**THIS EXAMINATION IS PRINTED
DOUBLE-SIDED.**

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Section A
Short Answer Questions
Total No of Marks for this section: 40
Answer 4 of 4 questions

This section should be answered in the Answer Booklet provided.

Marks for each question are indicated. Suggested Time allocation for Section A: 60 mins

Question 1: (10 marks)

Critical theorists would challenge the work of authors whose work is grounded with Legitimacy Theory. What is the basis of their opposition? Explain your view.

Question 2: (10 marks)

Compare and contrast the development and evaluation of positive accounting theories with normative accounting theories.

Question 3: (10 marks)

Identify and explain the perceived benefits that flow from the decision that a country will adopt the International Financial Reporting Standards (IFRS).

Question 4: (10 marks)

Is it appropriate for accounting standard-setting bodies to consider culture and religion when devising accounting standards and regulations, particularly given the output of financial reporting is expected to be objective and unbiased? Detail and explain your view.

Section B

Short Essay Questions

Total Number of Marks for this section: 20

This section should be answered in the Answer Booklet provided.

Marks for the question is as indicated. Suggested Time allocation for Section B: 40 mins

Question 1: (20 marks)

Assume that the government of Australia has become concerned that existing disclosure regulation tends to fixate on the financial performance of organisation but fails to address other aspects of corporate performance, including failure to provide information about corporate social and environmental impacts as well as about various initiatives and investments an organisation has undertaken to improve its social and environmental performance. As such, the government has decided to introduce legislation that will require business corporations to provide information about the social and environmental impacts of their operations, as well as the social and environmental initiatives undertaken by the corporations.

Required:

You are required to answer the following:

- (a) Explain from a 'public interest theory perspective' the rationale for the government introducing the legislation and how the government will ultimately assess whether any proposed legislation should actually be introduced. (6 marks)
- (b) Predict from a 'capture theory perspective' the types of constituents that will benefit in the long run from any social and environmental disclosure legislation. (6 marks)
- (c) Predict from an 'economic interest group perspective' whether any potential legislation to be introduced will lead to an increase in the accountability of corporations in relation to their social and environmental performance despite any implications that this increased corporate accountability might have for the financial success of large but heavily polluting organisations. (8 marks)

Section C
Multiple Choice Questions
Total No of Marks for this section: 40

This section should be answered on the Multiple Choice Answer Sheet provided. Please ensure that your name and student number have been written on the Answer sheet and place in the completed answer Booklet.

Each question carries 1 mark. Suggested Time allocation for Section C: 80 mins
